

☎ : (018) 788 – 9508  
 📠 : 018 786 1105/0866184121  
 ✉ : [bkotoi@merafong.gov.za](mailto:bkotoi@merafong.gov.za)

**MERAFONG CITY  
 LOCAL MUNICIPALITY**  
 OFFICE  
 of the  
 MUNICIPAL MANAGER

# Fax

Director-Generaal: National Treasury  
 RECEIVED : PRETORIA  
 12 APR 2011  
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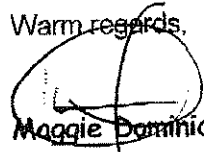
**To:** The Director-General  
 National Treasury  
**From:** Maggie Kotoi  
**Fax:** (012) 328 5145  
**Date:** 12 April 2011  
**Reference:**  
**Pages:** 8 (Cover included)  
**Re:** Submission of Oversight Report on the Annual Report: 2009/2010

☐ Urgent    ☐ For Review    ☐ Please Comment    ☐ Please Reply    ☐ Please Recycle

Sir

Kindly find attached submission as required.

Warm regards,

  
 Maggie Dominica Kotoi  
 Administrative Officer  
 Office of the Municipal Manager  
 Merafong City Local Municipality  
 Tel No: 018 788 9508/9500  
 Cell No: 083 668 6476  
 Fax No: 0866184121

**FRAUD REPORTING HOTLINE**

Tel 0800 004 004 | Fax 0866 641 027 | email [Merafong@hotline.co.za](mailto:Merafong@hotline.co.za) |  
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# MERA FONG CITY LOCAL MUNICIPALITY

P.O. BOX 3, CARLETONVILLE, 2500 - TEL: (018) 788 9500, FAX: (018) 786 1105

Ref:

9/1/1

5 April 2011

The National Treasury  
Private Bag X115  
PRETORIA  
0001

Dear Sir/Madam

**SUBMISSION OF OVERSIGHT REPORT ON THE ANNUAL REPORT: ACTIVITIES OF THE  
MERA FONG CITY LOCAL MUNICIPALITY: REPORTING PERIOD 1 JULY 2009 UNTIL 30  
JUNE 2010 (2009/2010)**

Merafong City complied with the provisions of Section 127(2) of the Municipal Finance Management Act by tabling its full annual report at a full Council Meeting on 25 January 2010. In compliance with Section 129 (1) it also considered the Annual Report and the Oversight Report submitted by the Chairperson of the Municipal Public Accounts Committee (MPAC) at a full Council Meeting on 31 March 2011.

Based on the Oversight Report, Council referred the Annual Report and the Oversight Report back to revise the components of the Annual Report as indicated in the Oversight Report. The Annual Report and Oversight Report with the corrections must be re-submitted to Council for consideration within 14 days.

The reason for the reports to be referred back show clearly from the contents of the Oversight Report to be issues that could be corrected in the Annual Report.

The Council will then be in a position to adopt a correct Annual Report, reflecting the true situation for the 2009/2010-Financial Year.

You are therefore requested to approve the short delay before the Annual Report is adopted.

In terms of Section 129 (2) of the MFMA, the following documents are attached hereto:

1. A copy of the Oversight Report;
2. An extract of the Resolution of Council taken on 31 March 2011.

Yours sincerely

**EM LESEANE  
MUNICIPAL MANAGER**

**VUVUZELA FRAUD HOTLINE CONTACTS**

• Tel: 0800 004 004  
• Fax: 0866 641 027  
• E-Mail: [mcrafong@hotline.co.za](mailto:mcrafong@hotline.co.za)  
• Address: P.O. Box 21029, VALHALLA, 0137



**REPORT OF THE  
MUNICIPAL PUBLIC ACCOUNT  
COMMITTEE**

**ON THE ANNUAL REPORT  
2009 / 2010**

**31 March 2011**

**REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE FOR THE  
FINANCIAL YEAR 2009 / 2010 IN TERMS OF SECTION 79 OF THE MUNICIPAL  
STRUCTURES ACT, 1998 ( ACT NO 117 OF 1998).**

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**1. PURPOSE**

The purpose of the Municipal Public Accounts Committee is to play an oversight role on the performance, transparency and accountability of the Municipal through perusal of the Annual Report, furthermore to achieve the above cited envisage type of government must ensure that systems and structures are in place.

**2. BACKGROUND**

The Municipal Public Accounts Committee of Merafong City Local Municipality was established on the 24<sup>th</sup> of February 2010 through the Section 79 of the Municipal Structures act, 1998 ( Act no 117 of 1998) with the objective to improve management of public finance, accountability, governance and submit recommendations to the Council.

The committee is composed of the following:

- |                           |   |             |
|---------------------------|---|-------------|
| 1. Cllr NP Salane         | : | Chairperson |
| 2. Cllr MH Nkayitshana    | : | ANC         |
| 3. Cllr MC Mchunu         | : | IFP         |
| 4. Cllr B Lephuting       | : | ANC         |
| 5. Cllr L Nongcula        | : | ANC         |
| 6. Cllr W Gcwalangobuthi  | : | UDM         |
| 7. Cllr AC Ntshabele      | : | ANC         |
| 8. Cllr SG Mangali        | : | ANC         |
| 9. Cllr K Mokwena         | : | DA          |
| 10. Cllr TJ van der Merwe | : | FF          |

After having perused the Annual Report the committee embarked on a project visit and had separate interview sessions with departments to further interrogate the annual report as per departmental submission and also to ensure a true reflection as stipulated in the Annual Report under review the following emerged.

### 3. FINDINGS:

- **Page 1** of the Annual Report on the comments of the Municipal Manager, Mr. EM Leseane the signature attached does not match instead it is linked to the former Municipal Manager Mr. JM Rabodila.
- **Page 7** on the Foreword by the Executive Mayor, Cllr DP Molokwane the signature attached does not match instead it is linked to the former Executive Mayor Mr. DD van Rooyen.
- There is a contradiction on chapter 1 page 14 under Audit Report paragraph 4 and **Page 15** the last paragraph with Auditor General's report on his opinion on page 66.
- **Page 15** on the Overview by the Accounting Officer, Mr. EM Leseane the signature attached does not match instead it is linked to the former Municipal Manager Mr. JM Rabodila.
- **Page 15** last paragraph on the overview by the Accounting Officer be refined to indicate the correct Auditor General's opinion.
- **Page 156** on Executive and Council the Number of Councilors on Executive Committee reflects eight **(8)** instead of ten **(10)** and total number of Councilors reflects fifty one **(51)** instead of fifty two **(52)**.

- Particulars of any non compliance with the MFMA were not part of the annual report.
- Particulars of any material losses, irregular, unauthorized, fruitless / wasteful expenditure as well as steps taken to recover such amounts were not captured in the annual report.
- Marketing and Communications has incorrectly captured the information as per sectional or departmental submission in the Annual Report under review.
- Incorrect signatures attached in the Annual report of 2009 / 2010.
- During project visit it prevailed that most projects reported complete on the Annual report 2009 / 2010 were incomplete either procurement delay or only consultant fee expedited and a poor performance of contractors a concern.

#### **RECOMMENDATIONS:**

- i) Corrective action taken or to be taken on issues raised by the auditor general to be attached in the annual report:
- ii) Marketing and Communications to correctly capture the information as per sectional or departmental submission in the Annual Report under review
- iii) That Council refer the Annual report of 2009 / 2010 back for revision of these components that can be revised and resubmitted within 14 days.
- iv) That Council has received an unqualified audit opinion with emphasis of matter.

- v) That Executive Mayor be mandated to inform the office of the MEC with regard to the referral of the Annual report.
- 

S/r.



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# **MERA FONG CITY LOCAL MUNICIPALITY**

P.O. BOX 3, CARLETONVILLE, 2500 - TEL: (018) 788 9500, FAX: (018) 786 1105

Ref.:

5 April 2011

**CERTIFIED TRUE EXTRACT OF THE MINUTES OF A SPECIAL MEETING OF THE  
MERA FONG CITY LOCAL MUNICIPALITY HELD ON 31 MARCH 2011**

## **ITEM 9/2011**

### **ANNUAL REPORT: ACTIVITIES OF THE COUNCIL:**

**REPORTING PERIOD 1 JULY 2009 UNTIL 30 JUNE 2010 (2009/2010)**

#### **Resolved:**

- i) That the Oversight Report on the Annual Report for the 2009/2010-Financial Year be referred back and be re-submitted within 14 days;
- ii) The annual report for the 2009/2010-Financial Year be referred back to be corrected as stated in the abovementioned oversight report and be re-submitted within 14 days.

**JJ MURRAY**

**ACTING EXECUTIVE DIRECTOR: CORPORATE AND SHARED SERVICES**

For Municipal Manager